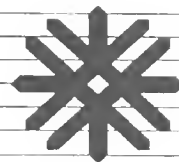


# FOCUS

## WORKERS' COMPENSATION NEWS



WINTER  
1994

### Early Return to Work for Injured Workers = Lower Workers' Compensation Costs for Employers

Raini Williams/Jon Hardwick

If lower workers' compensation costs are important to you, a proactive approach in returning injured workers to productive employment is the place to start. With enactment of the Americans with Disabilities Act (ADA), an early return to work program becomes even more critical.

Today's FOCUS looks at the correlation between the ADA and the workers' compensation connection along with its potential effects and possible remedies. We explore the role of the proactive employer and the central component that effective communication plays in an effective early return to work program. We look at how disability labels can create negative expectations and can ultimately cost employers time and money. In addition, we will discuss strategies that comprise an effective early return to work program and why using a team approach is best for everyone involved. In looking at some of the workers' compensation issues affecting Montana employers, we will define some commonly used terms and answer some questions most often asked by employers.

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#### "Early return to work program" defined

An "early return to work program" is a structured coordinated effort by an organization to return injured workers to employment as soon as is reasonably possible. A good return to work program starts even before a worker gets injured - it starts with educating employees about the workers' compensation system.

According to Richard Pimintel, a nationally renowned expert on disability, rehabilitation, workers' compensation cost containment and interpersonal relations in the workplace, an effective early return to work program involves a basic corporate culture change. He advocates a team approach where all the participants - medical providers, employers, workers and insurers - work together for the common goal of returning the worker to employment at the earliest reasonable date.

#### Benefits of implementing an early return to work program

From the employer's point of view, the major benefit of implementing an early return to work program will be the cost savings realized. A study by Northwestern National Life concluded employers can play a key role in determining if and when injured workers return to work. They looked at 9,747

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disability claims over a seven year period and concluded employers can reduce disability costs and return more employees to work by fostering a return to work culture and using effective disability management strategies.

**For purposes of this article, the term "injured worker" includes those individuals with occupational diseases.**

Lack of an effective return to work program can be costly. A 1994 study of 1,010 Montana workers' compensation claims closed between January of 1991, and March of 1993, shows a

definite correlation between the type of job to which a worker returns and the cost of the claim. The average indemnity cost (including wage loss payments and medical costs) for a worker returning to the job they held at the time of their injury was \$23,626. This is compared to \$65,878 for a worker returning to employment with a different employer than the employer they worked for at the time of their injury. Average indemnity costs for workers returning to modified or alternative jobs with their time of injury employer are \$24,498 and \$32,682 respectively. As you can see, it is to your benefit to implement an early return to work program.

Returning an injured worker to productive employment is also beneficial to the worker. Studies show workers returning to employment focus less on their disabilities, experience improved self esteem and a shorter recovery period.

## **The Americans with Disabilities Act**

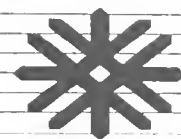
In addition to rising costs, a major issue that will have a significant impact on disability management is the Americans with Disabilities Act (ADA). Effective since July of 1994, the ADA prohibits discrimination against "qualified" individuals with disabilities. The ADA increases employer accountability and responsibility to maintain employment opportunities for disabled workers. The law reinforces the need for effective return to work programs that can help control costs and retain disabled workers with valuable skills.

As of December 31, 1994, the Equal Employment Opportunity Commission reports 50% of ADA complaints filed since July 31, 1993, were from workers claiming they were discharged for being disabled. Back impairments alone accounted for 19.5% of the complaints. Twenty-five percent were for failure to accommodate. Other complaints included wrongful termination and hostile environment.

Most return to work programs currently used by employers were designed to be consistent with state workers' compensation laws. Employers may now need to revise their policies and procedures to comply with the ADA.

## **Does the ADA affect all employers?**

Title 1 of the ADA prohibits employers **who employ 15 or more employees** from discriminating against "qualified" individuals with disabilities in any term or condition of employment. However, the Montana Human Rights Act, which contains similar provisions regarding disability discrimination, applies to **ALL** employers, regardless of the number of people employed. Additionally, it's important to remember,



the more you focus on a worker's disability, the more disabled they can become. We label them and they play the part.

Under the ADA, an injured worker may become a person with a disability if they have a physical or mental impairment that substantially limits one or more major life activities. Major life activities include caring for oneself, performing manual tasks, walking, seeing, hearing, sitting, standing, bending, lifting, speaking, breathing, learning and most importantly, **working**. It also includes cognitive skills and the capacity to concentrate, remember and reason. An injured worker also may become a person with a disability if they have a "record of disability." A time loss of nine months or more will probably be considered a "record of disability."

Workers with a "record" of being disabled, who have recovered to the point where they are no longer considered disabled, are still protected from discrimination by the ADA.

Title 1 of the ADA prohibits discrimination against "qualified" individuals with disabilities. The ADA considers a worker "qualified" to do a job if they meet education, experience, skill or licenses required of the job, and they are able to perform the "essential functions" of the job either with or without "reasonable accommodation." The duties must be essential, not ancillary, to the job.

Even if you are not required to comply with the ADA, you can still benefit from implementing an early return to work program. Rising workers' compensation costs effect both large and small employers; effect those that are subject to the ADA and those that aren't. Under any circumstances, an early return to work program

can make a significant difference in workers' compensation costs.

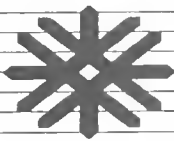
## **Employer responsibilities under the ADA**

Under the ADA, an employer must provide "reasonable accommodation" to an injured worker. "Reasonable accommodation" means any change or adjustment to a job or work environment that permits a qualified applicant to apply for, perform, or enjoy the benefits and privileges of employment equal to those of non-disabled employees.

This obligation may occur at various times during the claims process and may include, but not be limited to:

- ✎ Making existing facilities used by employees readily accessible to, and usable by, individuals with disabilities.
- ✎ Job restructuring, if necessary, or reassigning the injured worker to a vacant position.
- ✎ Part-time or modified work schedules.
- ✎ Protecting the medical confidentiality of the workers' medical records. Being injured on the job does not take away the right of medical confidentiality from the worker. At some levels of the company there may be an obvious need to know about the workers condition, but there is no inherent "right to know."

The employer must provide reasonable accommodation unless they can demonstrate "undue hardship," i.e., the accommodation would require significant logistical difficulty or expense or alter the essential functions of the job. The ADA



does not require the employer to create a light-duty job as an accommodation, but if there is a vacant light-duty job, it may be a reasonable accommodation to assign the worker to that job.

**All employment-related decisions about an individual with a disability must be made on a case-by-case basis.**

Employers must make decisions regarding the return to work with an understanding of the worker's rights and the employer's obligations under the ADA. All employment-related decisions about an individual with a disability must be made on a case-by-case basis. "Blanket" return to work policies based on assumptions about specific injuries or conditions are

not acceptable. Assumptions and attitudes toward injured workers can create ADA liabilities.

These assumptions and attitudes may be based on generalized fears and beliefs about injured workers and common industrial injuries and may be costly to the employer. Some examples of these assumptions and attitudes are:

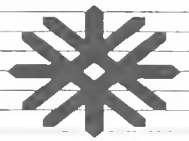
- ⌘ All injured workers are poor employees.
- ⌘ All injured workers reinjure themselves.
- ⌘ Injured workers should not be brought back until they are 100% recovered.
- ⌘ Persons who have had back injuries should never do jobs that involve lifting or physical labor.
- ⌘ Persons who have had stress claims cannot do jobs that involve pressure.

An important point for an employer to remember is this: whether it's a worker injured at another company who is applying for a job or your own employee returning from an injury, only the individual's current ability to do the job, with or without accommodation, can be considered.

### **Suggestions for establishing an effective early return to work culture**

#### **Implement strong systemic return to work programs.**

If you're subject to the ADA, ensure your program integrates workers' compensation and ADA programs. Few companies have formal return to work programs with manager and supervisor responsibilities plainly outlined. The return to work of an injured worker too often depends on how well the worker is liked or on the employer's attitude about the worker's injury claim. In 90% of the cases a supervisor makes a return to work decision based on their personal opinion of the injured worker. This is not a sound return to work practice with or without the ADA. As Mr. Pimintel advocates, the team approach is the most effective method to use.



**Keep the lines of communication open between the employer and the injured worker.**

This seems to be the most important part of the team approach to fostering a return to work culture. The employer needs to initiate communication at the onset of injury and maintain it consistently during the healing process. This contact dramatically reduces the length and expense of most workers' compensation claims. Simply - an injury or occupational disease creates stress for the individual - lack of communication can compound stress. Acknowledging this fact and expressing concern can reduce the cost to the employer and facilitate an early return to work for the employee. Some experts recommend the employer or supervisor accompany the injured worker to the doctor.

Besides fostering a return to work culture, open communication between employers and their employees is a key ingredient of employee job satisfaction, and job satisfaction is a key ingredient of an effective return to work program. In fact, a Boeing study found that job satisfaction was the only variable that determined how quickly and if an employee would return to work - not the nature of the injury, nor whether surgery was performed. The only consistent variable was job satisfaction.

When a workplace injury occurs, your first consideration is for the injured employee. They are not only injured, but most likely confused and anxious about their future. At this point, it is beneficial for the employer to interview the injured worker and possibly family members to explain their rights and benefits. Additionally, it is important to contact the insurance carrier

to explain the circumstances and indicate if the case is a compensable injury. Keep in communication with your carrier, the medical providers and the injured worker.

**Start your program at new employee orientation.**

Begin building your early return to work culture at new employee orientation. This is where open, on-going employer/employee communication starts. Provide training on workers' compensation and safety issues. Have clearly written and easy to follow procedures in case of injury or occupational disease. These procedures should include basic information such as the name and telephone number of the employer's insurance adjuster, when and how to complete a report of injury form, and any necessary follow-up steps. Provide as much information as possible to employees before an injury occurs.

**Actively involve medical providers, insurers, adjusters and employees in your program; use the team approach.**

In addition to emphasizing the importance of employer/employee communication, the team approach emphasizes the need for employers to communicate with medical providers, insurers and adjusters. Provide medical providers with an accurate and detailed job description of the injured worker to integrate within the recovery program. Again, involve the employee when possible. This communication allows the employer to tailor a transitional position based on the employee's current abilities. Further, the position can become an integral part and



a therapeutic component of the employee's recovery. Team members should target a time during the employee's recovery when work related activity will be most beneficial to the employee and to the company.

Highland Golf, an industrial sewing organization in Kalispell, Montana, employs approximately 55 workers. They have taken a very proactive approach to safety and return to work issues. From the outset of their return to work program two and one-half years ago, Highland Golf used the team approach. Their insurer played an active role in designing and implementing their program and continues to be actively involved. Highland furnishes medical providers with a video tape to help them understand and become familiar with their operations. This enables the medical providers to get a clearer understanding of the environment and duties to which they will be returning the injured worker. At the beginning of Highland's program, they contracted with a physical therapist to periodically provide employees information on ergonomics. Plant manager Laura Rollefson stresses the importance of teamwork and communication in the effectiveness of their program and adds, "We're already beginning to see results." "Most noticeable is the improved employee morale." When asked what she would say to other organizations contemplating an early return to work program, she said, "Just do it - everyone wins."

### **Focus on what the worker CAN do.**

In the past, many return to work policies have encouraged returning injured workers to light duty assignments. Light duty focuses and bases job assignments based on the workers' impairment. The focus of transitional work is on what the worker CAN do - a temporary therapeutic assignment designed by the team - a plan to get the worker back to full and active work.

### **Avoid the attitude of, "we don't want the injured worker back until they're 100%."**

This attitude means violations of the ADA are more likely. Under the ADA, this attitude can translate into "we don't make reasonable accommodations for injured workers." It is helpful for employers to recognize that most disabled workers can perform some part of their usual work or some work useful to the employer. Employers should direct their efforts toward finding out what the worker can do and the time when they can begin these tasks.



### **Things you need to remember about early return to work programs**

- R If you employ 15 or more employees, ensure your policies are in compliance with the ADA.
- R If you adopt a "100% percent" release or no job mentality, violations of ADA are more likely.



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- ⌘ Negative attitudes toward injured workers can make them into individuals with disabilities, creating ADA liabilities for an employer.
- ⌘ All injured workers are not individuals with disabilities under the ADA; but when they are, they have the same rights as any other qualified individual with a disability.
- ⌘ All employment related decisions about an individual with a disability must be made on a case-by-case basis.
- ⌘ It is good practice to work with medical providers to determine the physical limitations of the injured worker.
- ⌘ Use the team approach, involving the injured worker, the medical providers and insurers in deciding an appropriate return to work strategy for the worker.
- ⌘ Keep lines of communication open between the employer and the injured worker.
- ⌘ Companies that have integrated workers' compensation and ADA programs have realized significant savings of their workers' compensation costs.

**"You don't get an injured worker well to put them back to work, you put them back to work to get them well."**

*Richard Pimintel*

Remember, as Richard Pimintel says, "You don't get an injured worker well to put them back to work, you put them back to work to get them well."

These are just some of the questions asked by employers; there are more to answer. For instance, Montana workers' compensation does not cover stress claims. The ADA says we must treat mental illness and physical disability equally. How should employers handle stress related claims?

We'd appreciate hearing your opinions on this question. Also, if you have additional questions you'd like us to explore in future editions, please write to:

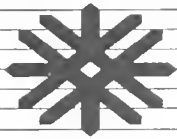
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Employment Relations Division  
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Helena, MT 59624

#### Sources:

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9455 De Soto Avenue  
Chatsworth, CA 91311  
1-800-626-3939

*"Back to Work - Managing Disability, Recovery and Re-employment", 1994*  
*Northwestern National Life*  
*Minneapolis, MN*

*Highland Golf*  
*Kalispell, MT*



## Safety Committees Required of Employers

Jean Branscum

Montana employers with more than five employees should be expanding their safety programs to include workplace safety committees. Safety committees are required by law under the Montana Safety Culture Act, and on December 1, 1994, Administrative Rules relating to the establishment of safety committees became effective.



The adopted rules are designed to assist employers in setting up safety committees that comply with the law. They cover safety committee composition, the scheduling of meetings, the committee's role and its scope of duties. The rules on safety committees are additions to those adopted May 1, 1994, which provide guidelines to employers for the establishment of workplace safety programs.

Although every employer is required to establish a safety program under the Montana Safety Culture Act, **only** those employers with more than five employees are **required** to include a safety committee as part of their safety program. Employers are reminded that workers' compensation insurers are offering safety consultation services and are encouraged to work with their insurer in establishing a safety program. An informational brochure on safety committees is also available through the Safety Bureau.

The intent of the Safety Culture Act is to prevent occupational accidents and injuries with the ultimate goal of reducing workers' compensation insurance costs to employers. Safety committees are just one of the required components of a workplace safety program.

Pending legislation may provide for waivers to the requirement for employers to include safety committees as part of their safety program.

For more information on the Montana Safety Culture Act, contact either your workers' compensation insurer or the Safety Bureau, Employment Relations Division, Department of Labor and Industry, P. O. Box 1728, Helena, MT 59624, 406/444-3937.

## Workers' Compensation Amnesty Program

Denny Zeiler

The 1989 Legislature mandated the reorganization of the Montana workers' compensation system. On January 1, 1990, the Department of Labor and Industry became responsible for regulatory functions in the Workers' Compensation Act and the State Fund became a quasi private insurance company.

The Workers' Compensation Insurance Compliance Section in the Employment Relations Division is responsible for making sure all employers have the mandatory workers' compensation insurance. The Insurance Compliance Section locates and investigates employers who do not have the required coverage. The penalty for operating without the coverage is twice what the premium would have been had there been proper coverage. In other words, a 100% penalty on the premium that

*Continued on Page 9*





*Continued from Page 8*

should have been paid. In addition to the penalty, employers are also liable for any claims costs, up to a maximum of \$50,000.

In response to the Governor's desire to rebuild the public's trust in state government, the Insurance Compliance Section has proposed a workers' compensation insurance amnesty program. The Insurance Compliance Section feels the amnesty program will provide a major service and build good will by offering to ease or compromise the penalty on employers who do not currently have the required coverage, but wish to get back into compliance with the workers' compensation coverage requirements. The amnesty program will offer employers the opportunity to get into compliance without having to pay the 100% penalty.

The Insurance Compliance Section hopes the amnesty program will help promote a positive image of state government, clarify the difference between the State Fund and the Employment Relations Division, and increase compliance with the Workers' Compensation Act.

## **Managed Care Organization Unit Year in Review**

*Dennis Underwood*

In retrospect, 1994 was an eventful year for Managed Care in Montana. An Administrative Rules Advisory Committee was formed to write rules to implement the managed care laws passed by the 1992 Legislature. After public hearings were held, the rules were adopted on March 1, 1994. Shortly after the rules were adopted, several potential Managed Care Organiza-

tions (MCOs) presented their preliminary certification applications to the Department for approval.

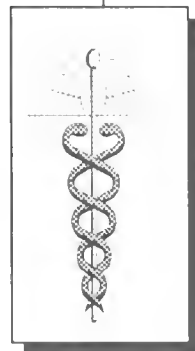
Since March, there have been nine MCO's certified to operate in Montana. In order of certification, they are:

- ♦ Yellowstone Workers' Health Plan, Billings
- ♦ St Peters Community Hospital MCO, Helena
- ♦ CompWise Managed Care Organization, Great Falls
- ♦ Deaconess-Billings Clinic Health System, Billings
- ♦ Corvel Health Care Managed Care Organization, Kalispell
- ♦ Western Montana Managed Care Network, Missoula
- ♦ Corvel Health Care, Billings
- ♦ Employee Benefits Management Services, Billings
- ♦ Southwest Montana Workers' Health Plan, Butte

At this writing, there are four other organization in various stages of the certification process. One of the already certified MCO's has completed contract negotiations with an insurer and is receiving referrals for service. The Department has assembled an advisory committee to develop treatment standards for use by workers' compensation providers.

The advisory committee met in November and January and plans to hold its next meeting in April. We'll keep you informed of their progress in later editions of this newsletter.

For more information on the managed care certification process, contact Dennis Underwood at 444-0567.





## **TRADE GROUPS**

*Maggie Connor*

Effective July 1, 1993, the Montana Workers' Compensation Act allows for the group purchase of workers' compensation insurance. Two or more businesses that are in the same line of business may form a group to purchase individual insurance policies covering each member of the group. This group is termed a "Trade Group".

The primary focus of the trade group statute is to offer volume discounts to businesses that individually would not be eligible. An insurance company may offer a percentage discount, calculated from the total premium of a group.

Trade groups must be certified by the Department of Labor & Industry. Administrative rules have been adopted which define the requirements for certification. In a nutshell, a group must submit a plan of operation and a description of the group's organizational structure to the Department for approval. For more information or a copy of the rules, call Maggie Connor at 444-6532.

Since the implementation of trade groups, the Department has certified four groups. The Montana Tavern Association (MTA) was first to submit an application and receive approval, followed by the Montana Motor Carriers Association (MMCA), the Montana Oilfield Workers' Compensation Fund (Oilfield Fund), and the Montana Loggers Association (MLA).

As a group, small businesses have additional options for the purchase of workers' compensation insurance. Forming a group creates a larger premium base, which stimulates interest of insurance companies; competition at its best.

## **Changes in Phone Numbers**

In the summer edition of FOCUS we printed a directory for the Employment Relations Division. We've had a few changes since then. Please update your directory with the following numbers:

### **Medical Regulation Unit**

Managed Care Certification 444-0567  
 Medical Fee Schedule 444-0563  
 Hospital Discount Factors 444-6526  
 Utilization and Treatment Guidelines 444-0563  
 Impairment Disputes 444-0563

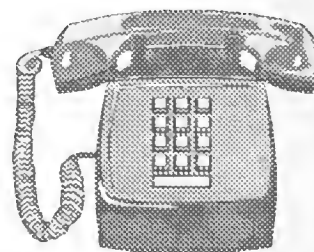
### **Additional Number**

WC Mediation Unit 444-6534  
 Mediate benefit dispute between  
 insurers and claimants

**Plan II Unit 444-6532**

**Subsequent Injury Fund 444-7737**

**Attorney Agreements 444-7737**





## **Underinsured Employers Fund (UIEF)**

*Robert Tallerico*

Today, employers have many things on their mind-trying to make a profit, keeping their employment tax payments up to date, monitoring their inventory, and dealing with a myriad of other obligations. Along with these important issues, employers must ensure their employees are properly covered and are reported in the correct classification to the insurer for workers' compensation premium payment purposes.

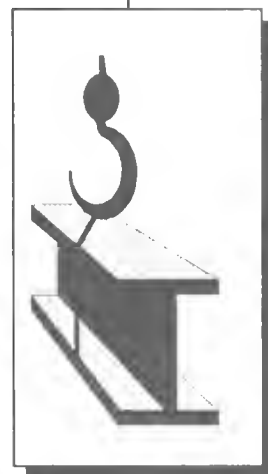
### **Basic Information on the Workers' Compensation Classification System**

For most businesses, the insurer assigns a broad based governing or industry classification code, a code which the employer uses to report their payroll to the insurer for premium purposes. The purpose of a governing or industry classification code is to assign one basic classification code to an employer which best describes the business of the employer.

However, certain types of employment and occupations are considered standard exceptions to the broad based governing or industry classifications. These types of employment include clerical employees, drafters, drivers, chauffeurs and their helpers and salespersons, collectors and messengers. An example may help clarify this point. Assume the employer operates a ski area. The employer has three employees: a ski lift operator, a ski instructor, and a secretary who has no outside duties. The insurer has assigned the industry a governing code of 9180, which is the code for a ski

area. The employer will use this classification code to report the lift operator and the ski instructor. However, the secretary falls into the standard exceptions group and should be reported using the clerical classification, 8810.

The construction industry, because of the varied types of work performed in the industry, is also an exception to broad based governing or industry classification. Construction employers who maintain adequate records may report payroll to the insurer by classification codes which have been developed for the various types of occupations or duties performed in the construction industry. Records to support the payroll must be maintained by the employer and payroll must be reported to the insurer by each separate classification assigned for each type of work performed. For example, an employer should use two codes to report an employee who is assigned to work as a carpenter building a private residence for the first 4 hours of the day, and at a commercial site erecting a prefabricated steel building for the remaining 4 hours of the day. The employer would report the employee in classification code 5645, at a premium rate of \$23.36, for the first 4 hours of work and in classification code 5086, at a premium rate of \$134.30, for the remaining 4 hours. If the employer does not maintain records to support separating the payroll, the entire payroll would be reported in classification code 5086 and the higher premium rate would be assessed.



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## Underinsured Employers Fund Information

**Employers who do not pay their fair share of workers' compensation insurance premium cause ethical employers to pay higher premiums.**

The 1993 Legislature passed a bill establishing penalties on employers who "knowingly" misrepresent the duties of their workers in order to pay lower workers' compensation premiums. Under the new law, the Underinsured Employer Fund may penalize an employer for an amount of up to double the premium the employer would have paid had the workers been properly classified, or \$200, whichever is greater.

The following are examples of payroll discrepancies that could lead to employer penalties:

1. Employers who knowingly report payroll in improper codes in order to pay a lesser premium amount.
2. Employers who purposely do not report their entire payroll in order to pay a lesser premium amount.
3. Employers who inappropriately treat employees as Independent Contractors in order to pay a lesser premium amount.
4. Employers who do not report or request new classification codes from the insurer when the business of the employer has changed or expanded. Without the new codes the employer could be working the employees in higher coded positions (similar to example 1 above) and not paying the proper workers' compensation premium.

The Employment Relations Division is responsible for enforcing the Underinsured Employer Fund laws. The division uses various sources of information to investigate a variety of circumstances, occupations, and industries for compliance. Once an alleged violation is investigated and it is determined the employer has knowingly misreported the classifications of workers to reduce premiums, penalties may be assessed. Depending on the size of the payroll, the period involved, and the premium level, penalties can be substantial.

Employers who do not pay their fair share of workers' compensation insurance premium cause ethical employers to pay higher premiums. These violators are able to underbid their competitors and unjustly have a greater profit margin. The intent of the legislation is to level the playing field and reduce the inequities between employers.

Violators should be reported. If you are aware of an employer who is not paying the correct premium, please report this information to the WC Fraud Hotline at 1-800 WCABUSE (1-800-922-2873) or to a UIEF representative in Helena at (406) 444-1446. If you have any questions about the UIEF program or if you need further assistance, please call a UIEF representative at the above number.

**1-800-WCABUSE**



## Medical Provider Update

### Questions and Answers



A pharmacy asks: "How are we going to know what the co-pay will be for prescriptions?"

Co-payments will not affect reimbursement for prescriptions. Section 39-71-704(7)(1)(a)(b), MCA, addresses how co-payments will work after initial visits to a medical provider or a hospital emergency room. Prescription drugs are limited to the average wholesale price of the product at the time of dispensing, plus a dispensing fee not to exceed \$5.50 per time. You can find additional information relating to payment of prescription drugs in Section 39-71-727, MCA.



"Is the Department going to introduce legislation to change the definition of 'treating physician' by including physician assistants, nurse practitioners, and podiatrists?"

Not this session. Any legislation should be addressed by those interested parties.

Send your questions to:  
Employment Relations Division  
Medical Regulations  
P O Box 8011  
Helena MT 59604  
or call  
Cathy Brown Kummer at 444-0563

## General Information

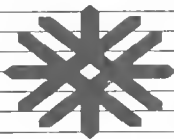
### State Fee Schedule Adopted

The Department has adopted the Relative Values for Physicians (RVP) by McGraw-Hill as the state fee schedule for medical non-hospital services necessary for the treatment of injured workers. You can order the RVP by calling Systemetrics/McGraw-Hill at 1-800-544-5168. When ordering, please request the quarterly updates as well. The most current update is December. CPT codes, unit values and descriptions can change with each update. Prices range from \$249 to \$1750 depending on whether you order the hard copy, diskettes or mainframe version.

As of January 1, 1995, the Department of Administration has advised there will be a one cent increase in mileage rates. Reimbursement for personal car mileage will increase from the present 28 cents per mile to 29 cents per mile. Reimbursement for private airplane usage will increase to 58 cents per nautical mile.

During the 1993 legislative session, the Department was given the responsibility to establish utilization and treatment standards for all medical services provided for under the Workers' Compensation and Occupational Disease Acts in consultation with standing medical advisory committees provided for under section 39-71-1109, MCA. Advisory committees and a steering committee were created by the Department. The steering committee met on November 9, 1994, to begin planning. At our January meeting we reviewed standards from California, Colorado, Washington and Oregon

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and decided the role of the advisory committees. Anyone interested in additional information can call Cathy Brown Kummer at (406) 444-0563.

## Workers' Compensation Fee Schedule Conversion Factors

Pursuant to section 39-71-704(4), MCA, the Department adopts the following conversion factors, effective January 1, 1995, for use with the unit values listed in the Relative Values for Physicians or incorporated in the Medical Service Rules for workers' compensation services:

|             |         |         |                  |       |       |
|-------------|---------|---------|------------------|-------|-------|
| Acupuncture | \$ 3.91 | \$ 4.03 | Pathology        | 14.00 | 14.43 |
| Dental      | 7.54    | 7.77    | Anesthesia       | 30.05 | 30.96 |
| Medicine    | 3.91    | 4.03    | Chiropractic     | 3.91  | 4.03  |
| Surgery     | 83.55   | 86.09   | Occupational     | 6.09  | 6.28  |
| Radiology   | 16.17   | 16.66   | Physical Therapy | 6.09  | 6.28  |

The Department has increased the conversion factors by 3.04%, which is the percentage increase in the state's average weekly wage.

The unit values, procedure codes and descriptions, definitions, modifiers, ground rules, and instructions listed or incorporated by reference in the April 1, 1993 Medical Service Rules (with updates), and the August 1, 1993, Chiropractic Service Rules continue to apply.

If you have any questions, please call Cathy Brown Kummer at (406) 444-0563.

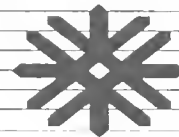


## 1995 Governor's Conference on Workers' Compensation and Safety

It's a new year and once again we're beginning to plan the next Governor's Conference on Workers' Compensation and Safety. It's scheduled for September 20-22 in Big Sky, Montana.

We want to thank you for your interest and support for last year's conference and to ask for your input on this year's conference. If you have a particular topic you would like covered, a speaker you would like to hear, or if you are interested in being a sponsor or providing an exhibit, please let us know.

You can send your comments and recommendations to Kara Christianson, Montana Department of Labor and Industry, Governor's Conference, P O Box 6518, Helena, MT 59604.



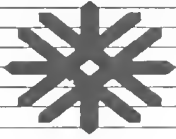
## 1995 Assistance for Business Clinics

Do you need to know more about labor laws and how to do business with state and federal governments? Do you need information on filling out the many business related reporting forms? The following agencies will provide you with this information at Assistance for Business Clinics:

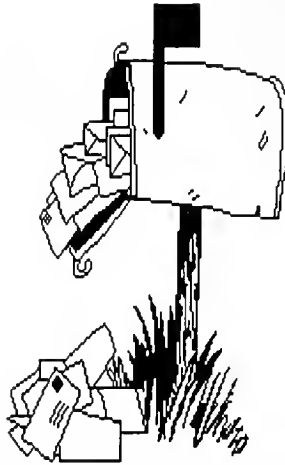
- ◆ Department of Labor and Industry
  - ◆ Unemployment Insurance Division
  - ◆ Employment Relations Division
    - ◆ Wage and Hour
    - ◆ Safety Bureau
    - ◆ Workers' Compensation
- ◆ Internal Revenue Service
- ◆ State Fund (State Workers' Compensation Insurance)
- ◆ Montana Department of Revenue

### **MARK YOUR CALENDARS NOW!**

| <b><u>Date</u></b>                      | <b><u>City</u></b> | <b><u>Location</u></b>    | <b><u>Sponsor</u></b>                                  | <b><u>Fee</u></b> |
|---|--------------------|---------------------------|--|-------------------|
| April 20                                | Livingston         | Yellowstone Motor Inn     | Job Service (222-0520)                                 | \$20              |
| April 25                                | Great Falls        | Holiday Inn               | Chamber of Commerce (761-4434)                         | \$27              |
| April 26                                | Cut Bank           | Cut Bank Civic Center     | Chamber of Commerce (873-2191)                         | \$15 or \$20      |
| April 27                                | Havre              | MSU - Northern            | Chamber of Commerce (265-4383)                         | \$20              |
| May 2 or 3<br>(same program each day)   | Kalispell          | Outlaw Inn                | Chamber of Commerce (752-6166)                         | \$22              |
| May 17 or 18<br>(same program each day) | Missoula           | Holiday Inn-Parkside      | Chamber of Commerce (543-6623)                         | \$26              |
| June 13                                 | Glasgow            | Elks Club                 | Chamber of Commerce (228-2222)                         | \$15 or \$20      |
| June 14                                 | Glendive           | Holiday Lodge             | Chamber of Commerce (365-5601)                         | \$20              |
| June 15                                 | Miles City         | MC Community College      | Chamber of Commerce (232-2890)                         | \$20              |
| Aug 15                                  | Colstrip           | Human Resources Building  | Colstrip Area Association of Business, Inc. (748-3833) | \$15              |
| Aug 16/17<br>(same program each day)    | Billings           | MSU Billings              | MSU Billings (657-2203)                                | \$25              |
| Sept 7                                  | Lewistown          | Yogo Inn                  | Chamber of Commerce (538-5436)                         | \$20              |
| Sept 12                                 | Bozeman            | MSU-Strand Union Building | Chamber of Commerce (586-5421)                         | \$20              |
| Sept 13                                 | Butte              | War Bonnet Inn            | Chamber of Commerce (494-5595)                         | \$20              |
| Sept 20                                 | Helena             | Colonial Inn              | Chamber of Commerce (442-4120)                         | \$20 or \$25      |



*Winter 1994*



## **Nominations for Department's Safety Awards Due August 1st**

Each year at the Governor's Conference on Workers' Compensation and Safety, the Department recognizes four businesses for their outstanding safety performance. We need your help. If you know of a business that has an outstanding safety record, please contact the Department's Safety Bureau at the address listed below, or call 444-6401 and request a nomination form. You can also nominate yourself.

The categories are: large public and small public employer, large private and small private employer.

**Don't delay, send your nominations today!**

Employment Relations Division  
Department of Labor and Industry  
Safety Bureau  
P. O. Box 8011  
Helena, MT 59604-8011

**Department of Labor and Industry  
Employment Relations Division  
P.O. Box 8011  
Helena, MT 59604-8011**

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